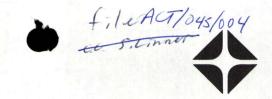
ANACONDA Minerals Cc y
555 Seventeenth Street
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Telephone 303 293 4000



June 24, 1986



DIVISION OF OIL, GAS & MINING

Mr. Lowell P. Braxton Administrator Division of Oil, Gas and Mining 355 W. North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

Dear Mr. Braxton:

We thank you for your tentative approval of the Carr Fork Reclamation/Stabilization Plan as stated in your June 6, 1986 letter. We are also pleased that the Department of Health in its June 18, 1986 letter has concurred in the acceptance of the Plan. Anaconda believes this Plan to be one of the premier hard rock mining reclamation plans ever submitted by a mining company in the state of Utah and we are looking forward to carrying this plan to fruition in the coming months.

Anaconda and its consultant, JBR Consultants Group, have reviewed the permit stipulations cited in your June 6 correspondence. Although we generally agree with and accept the intent of the permit stipulations as stated, the following comments are provided for clarification:

Rule M-3 (1) JRH

We will supply the Division with a set of construction drawings which will clearly show the areas where reclamation will be accomplished. Some of the areas, such as haul roads, equipment and materials yards which will be disturbed during the course of reclamation activities, will not be indicated on the construction drawings. This is because the contractor must have flexibility to arrange these areas as he deems necessary for the efficient progress of the work. All such areas will be reclaimed following completion of the overall reclamation effort.

Rule M-5 (1) JRH

As was discussed with the Division on April 11, 1986, a copy of the contractor's cost estimate for the job will be provided to the Division following awarding the job. This is currently scheduled for late July. Providing a cost estimate within 15 days after permit approval but prior to award of the contract could compromise the bidding process.

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Rule M-10 (1) JRH

It is the intent of Anaconda to reclaim most of the roads and other facilities within the area to be treated. As most of the area to be treated was never permitted through the Division due to its grandfathered status, there is no definite affected area boundary as is usually the case. Thus we cannot commit to complete reclamation of all facilities within an affected area boundary. All major areas to be reclaimed are clearly shown in the Reclamation/Stabilization Plan as are the facilities proposed for post mining use. As stated in Section 6.1 of the Reclamation/Stabilization Plan and shown on the drawings, we will leave the major on-site roads for continuing access and reclaim the rest.

Rule M-10 (2) JRH

We do not anticipate any significant changes in the type of reclamation work to be conducted due to changes at the site. If any significant changes in reclamation goals or treatments are to be considered, these will be made known to the Division as soon as possible. Due to the tight construction schedule, there may be limited time for consideration of such changes and we will insist that the Division respond to such notices in a timely fashion.

As is the nature of earthmoving projects of this size, there will be occasions when minor changes to the overall plan will be called in the field. Project changes which will not compromise the reclamation goals and/or treatments will not be referred to the Division for approval. Anaconda cannot afford added costs and schedule slippage associated with project delays over minor changes.

Rule M-10 (6)-(1) DC/RS

We will conduct quarterly, surface water quality monitoring at stations SW-12, SW-8 and SW-9 as shown on Plate 4-1 of the Reclamation/Stabilization Plan. As was discussed with the Division in the field, it is possible that the drain will not be constructed if the contractor can satisfactorily remove the waste in an undrained condition. This situation would preclude monitoring at the outfall to the drain. The water quality monitoring will be conducted in accordance with the general protocol described in Section 4.3 and samples will be analyzed for the parameters shown on Table 5.4.3 of the Reclamation/Stabilization Plan. The analyses results for the samples will be submitted to the Division quarterly. This will occur during the 1986-1989 period.

Rule M-10 (8)-(1) DC/RS

Complete construction drawings for the Dry Creek Channel will be submitted to the Division in mid-July.

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Rule M-10 (8)-(2) DC/RS

We will monitor the location of the waterfall in Pine Canyon with normal surveying techniques. This will occur quarterly during the period 1986-1989. This information will be submitted to the Division at that time.

We are concerned that the Division still considers stabilization of the waterfall possibility. Sections a 5.4.2 and 5.4.3 Reclamation/Stabilization Plan shows that there has been no water quality impact which results from the waterfall. Section 6.10.1 discusses the remaining safety issue and the means which will be taken to mitigate this issue. This same section discusses the conclusion of three engineering firms that a permanent stabilization of the waterfall would present extreme safety hazards to the construction personnel which outweigh any environmnental or pubic safety benefit from stabilization of the waterfall. All of this was discussed with the Division in the field on a number of occasions and in the Division's offices on March 27, and again on April 11, 1986. Our notes of the March 27th meeting indicate that Messrs. Hardin, Sommers, and Cline agreed with our arguments and our proposed mitigation plan for the waterfall. We cannot agree with this stipulation for the reasons that have already been discussed but we will monitor the migration rate, if any, of the waterfall for the 1986-1989 monitoring period.

In response to items 1. and 2. of your April 2, 1986 letter, we are submitting the enclosed 1:5,000 scale topographic map of the Pine Canyon area. This map clearly shows the present boundry between the Kennecott and Anaconda properties as well as the limits and acreages of the various disturbances associated with the development and operation of the Carr Fork mine and mill.

We are unable to respond to item 3. which requires submission of an acceptable reclamation plan for the Pine Canyon area. The sales agreement which transferred the ownership of this area to Kennecott also transferred the responsibility for reclamation of the disturbances from Anaconda to Kennecott. It is our understanding that the Mined Land Reclamation Contract entered into between Anaconda and the Board of Oil, Gas and Mining is transferable to Kennecott. Regardless of whether the present Reclamation Contract is transfered to Kennecott or Kennecott is issued a new Contract, it appears prudent for Kennecott to develop the final reclamation plan for Pine Canyon prior to abandoning operations there. Discussions are presently underway with Kennecott for the smooth transfer of the reclamation obligations for the Pine Canyon portion of the Carr Fork property. From recent discussions with Kennecott, it is our understanding that they are in the process of contacting your Division regarding this matter.

Item 4. of your letter requires the showing of adequate surety for the reclamation of both areas. As referenced above and as per discussions between Messrs. Brian Buck, JBR Consultants, and Randy Hardin, DOGM, we understand that the Division will agree to our submitting the cost estimate for the reclamation of the Tooele Valley area after the

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construction contract for same is awarded this summer. Having entered into a contract for completion of the reclamation should be adequate proof of our financial capability to reclaim the Tooele Valley portion of the minesite.

As for the provision of adequate surety by Kennecott for the Pine Canyon Portion of the minesite, we must defer this request until the transfer of the 1980 Mined Land Reclamation Contract has been approved by your agency. At that time, the issue will be between Kennecott and DOGM.

In closing, Anaconda would like to take this opportunity to thank you and your staff for the cooperation and timely review and approval of our reclamation plan. We believe that the above responses to your permit stipulations are sufficiently detailed as to provide your Division with the information necessary to issue Final Permit Approval. If additional information is necessary, please advise as we are prepared and eager to begin the reclamation as soon as final Division approval is granted.

Sincerely,

Robert L. Dent

RLD:nc